

6-28-1999

Boersema, John C, Sr Oral History Interview: Business and Industry in Holland

Nicole Tallman

Follow this and additional works at: http://digitalcommons.hope.edu/holland_business



Part of the [Archival Science Commons](#), and the [Oral History Commons](#)

Recommended Citation

Repository citation: Tallman, Nicole, "Boersema, John C, Sr Oral History Interview: Business and Industry in Holland" (1999). *Business and Industry in Holland*. Paper 1.

http://digitalcommons.hope.edu/holland_business/1

Published in: 1999 - *Business and Industry in Holland (H88-0234)* - *Hope College Living Heritage Oral History Project*, June 28, 1999. Copyright © 1999 Hope College, Holland, MI.

This Article is brought to you for free and open access by the Oral History Interviews at Digital Commons @ Hope College. It has been accepted for inclusion in Business and Industry in Holland by an authorized administrator of Digital Commons @ Hope College. For more information, please contact digitalcommons@hope.edu.

Interview with John Boersma

Interviewed by Anna Holt

Also present: Nicole Tallman

1999

AH: This is Monday, June 28, an interview between Anna Holt and John Boersma. First, I'd like to ask you a little bit about your personal history.

JB: I was born right here in Holland, Michigan, 1946, [date removed]. I'm a Baby Boomer-type person. I grew up on the west side of Holland, at least that was the outskirts of Holland at that point, now it's almost in town, Eighteenth Street. I went to Westside Christian School through sixth grade. Then I went to Holland Christian through the tenth grade, then went to Holland High School. Then I got married, had three children, worked in a bunch of different places. Well, not too many, actually. I worked at Dutch Boy Bakery when I was a kid, about fourteen years old until I was eighteen. It's a now-defunct business. Then I went to Chris Craft for nine months. Then I went to Slick Craft for ten years and then I went to S2 Yachts for ten years. Actually Slick Craft was bought out by AMF and then S2 Yachts started (the same people that owned Slick Craft). I just went with them once they got up and running again, so I actually worked for the Slickers for twenty years. In about '84 I came over to Haworth. I've seen lots of changes. I started off in fabric assembly area, building panels. We used to build panels on individual tables, wood top tables. We put our own retainers on the panels. At that point, they had just the standard panel

and the UniGroup panel. You put your own retainers on them, then you fabricated them, put your own hardware on them, then proceeded to put them in a big bag, wrap them, put them on a skid or a pin rack and send them off to Distribution. Over the course of time, things have changed quite a bit. We've got a line concept. At that point, we used to use the glues that were about a twenty-four hour cure time to them. We actually took panels off the core line, put them into a holding area, set them for twenty-four hours, pulled them back down and then started the building process. Now, since they've changed the glues, they eliminated the process of stacking panels aside. What they do now is run them down the line right directly into the fabric cutting area, where they actually cut the fabric for each individual order. Then they put them right into the fabric covering area, those are individual tables yet, but they're actually stainless steel tops with different width and height sides that you can attach to it to run all different size panels rather than taking... In the old days you'd take a wood table top for a certain size, take it off, set it aside and get the correct size to fit that particular panel. Now we just got bars and rails on the exterior part of it. The process is a little different. The only thing now you do is actually fabricate; that's the part you do and the people further down the line before they come to you will do the retainers, so they're already on. Then you do the fabrication, put them on a line. The people in Hardware will put top and bottom hardware and it's wrapped automatically through a high-speed, horizontal ring-wrapper. It's stacked with another machine, called a rig-stacker, then transferred on a T-cart to our offload conveyors and our AGB system now picks them up and brings them right down to Distribution.

So things have changed. The through-put now is probably four hours, where it used to be twenty-four to twenty-eight hours. We've cut that back quite drastically in the last seven or eight years since we went to this concept. Now we're looking at some newer concepts to make that flow a little faster, a little quicker, having less raw product on hand, keeping inventories down.

AH: So you started in '84 at that position, how long did you stay?

JB: I still am in that same area, I work in the fabric-covering area. The only thing that I do not do is I don't do the panels anymore. I actually do all of the 'PMing' of all the equipment out there, which means I do all preventative maintenance. There's heat knives that they use to melt off the fabric; I repair those. You take apart the little wires and dials and switches and resisters inside and I repair all that stuff, or replace cords, or whatever it needs. I take care of three different areas. Anybody in the fabric area in the panels plant has to do with stackable Premise^R, then PFA or fabric assembly area and Bob Witteveen's department, which would be another smaller area - they also do heat knives. I repair all the heat knives for the whole thing. There's probably about one hundred and fifty heat knives out there that I have to maintain. Quite a bit of my day is spent doing that. Then they use a Velcro strip on the edge of the aluminum bar all the way around the exterior that actually holds fabric in place. When you tack it down to that Velcro, drape it across the panels, tack it to the Velcro with your hands, roll it in, it normally will take the path-of-least-resistance, will pull up from the ends. We don't want that. We want it to be nice and tight in the center of the panel, so it takes the slack out of the center of the panel by being tacked to

Velcro. I maintain all that Velcro stuff too. There's probably twelve or thirteen hundred different bars out there, different sizes, combinations that I have to do: roller wheels, disks, hubs, bearings. I maintain basically all that stuff. Any minor repairs that people need done real quick -- that I can handle, have the tools for, that Maintenance normally would do -- I usually do that now for them, just to make it a little easier, simpler, getting it done quick without making a work order out. I'm right there. I can take care of a lot of small things, little detail things.

AH: I don't know how much you would know about the tremendous growth Haworth has experienced, like all the acquisitions lately and...

JB: ... When I first started here we didn't have any acquisitions at all. Now we have thirty-nine or forty manufacturing plants worldwide, five continents. I believe there are about ten thousand-plus members globally. In western Michigan, there's about five thousand -- three thousand at this facility and Douglas, Allegan, Big Rapids and Ludington - between the combination, there's about five thousand in western Michigan.

AH: What's it like to be a part of such...

JB: ...It's neat to see a lot of growth like that. Security, I think is fairly good over here, for the simple reason they have never had lay-offs. They do use temporary people to take spikes in the system as orders spike up. Plus the summertime, there's a lot more people that go on vacations, so we use a lot of summer help, which you see that all the time. We have a lot of that, which really helps out. A lot of people do take their vacation when kids are out of school, so we do use a lot of temporary people. I've

been involved in a lot of training of people over the years. There's a new process, TPM out there, and DPS. There's a lot of different processes, methods they're using right now to make a constant flow from raw material to finished product, right out the door basically. They want nothing to stop it, it's going to be worked on constantly until it's done. Of course that makes you more profitable. Over the years I've seen the business go from very lucrative, very profitable to very cost-cutting. The pressure is just immense out there right now as far as competition, bidding jobs. It's mind-boggling what we have right now. That has changed in the mid-'80's, early-'80's, late-'80's it was not quite so much. It was very lucrative at that point. It's tightening up.

AH: What's it like to have so much competition so close?

JB: The closeness I don't think is a real big factor. It's just competition in general because you are dealing basically globally, and all the other companies are also. It's just a challenge to people and that's why we're using the TPM and the DPS programs.

AH: What are those?

JB: TPM is Total Plant Manufacturing. That's basically a concept designed, kind of a derivative of what Toyota has done over the years. The same thing with DPS, it's the constant flowing of product all the time. Years ago, 'this' process happened, then it maybe sat up on the shelf for awhile; then 'this' happened and it sat up over there for a little bit. Now it's just flowing from raw materials, constantly hands-on all the way through the process until it's completely done. You have quicker through-put time,

you have less inventory on hand, you get it to the customer quicker. Their demands are just... I do a lot of factory tours out here. I probably do a couple hundred a year, so I see a lot of customers, clients, dealers, design groups from all over the world. You really kind of get the feel for what they are expecting from the corporation and the demands I think are getting more and more all the time. They want it quicker. They want it faster. They want the quality to be there. They want less packaging materials. They have a lot of demands. One guy, one of our customers, took me aside and said, "Is there anything you can do about getting rid of some of the excess packaging materials?" Well, right now we're doing the very best we can, keeping minimum packaging. Yet you need to get it there safe without being damaged. Right now, we're at that line. There's engineers constantly at work at that type of thing to make it better. Especially big cities - Chicago, New York - a lot of the older buildings don't have docks, don't have dock doors. They have the very narrow door openings, so they have to actually unload in the streets with the trucks, depalletize and then carry them in the buildings several at a time and then up the elevators. In bigger cities, the buildings really haven't been renovated to the newer codes; it's extremely tough. Some guys in Chicago and New York, I talked to a couple of them guys and they said it can get to be a real problem. That's part of their choice of where they had their business. Maybe they like to be in the inner-city, in the big buildings, but along with that you pay another price on the other side of the coin. It's just the way it is.

AH: Newer packaging, using less packaging is in the works. Do you see anything else,

any up-and-coming trends?

JB: Getting it to the customer quicker, faster. We're having different distribution centers throughout the country right now. We've got one in Aurora...there's a couple different distributions centers. They're actually shipped bulk to there. They break the orders down there, then ship to the customers from that area. There's different things out there that they're trying to do and work with the customers and vendors and suppliers. Try to lock-in prices as long as you possibly can, keep the cost as stable as you possibly can. If you have fluctuating prices, there's always little disclaimers on the bottom of any contract, "price subject to change without notice." When you're bidding a job, dealing with customers, they pretty much want to know, "Hey, this is what it's going to cost me in the end." They don't want a big surprise, like, "Well, it just went up three percent. Sorry, folks." It doesn't make them real happy. We try to make contracts with our suppliers as far out as we can to keep it locked in, year-by-year, or eighteen months, two years -- whatever it might be -- to hold. We know what we've got to charge for our product that way, and we pretty much know what labor costs would be and everything else. If you can control that cost and don't have the fluctuation, like aluminum prices can really sky rocket real quickly. If you don't have a fixed price for awhile, then, after that contract runs out, you renegotiate again. You might have to go a little higher than what it should be at that point, but you probably bought it a lot cheaper than what you should have for awhile also. It's one of these give-and-take type of things. At least it's better for the customer, I think. They're not going to see this big constant moving around of prices, up, down. You

pretty much know where you're going to stay for a little while at least.

AH: I heard you refer to the employees as members.

JB: Right, everyone is basically a member at Haworth. We don't use the terminology 'employees.' We are employees, but a member of the corporation. A little more personal, hands-on that way, a feel to the ownership of what you do and part of the corporation really: part of the decision-making process. A lot of the people out there have made a lot of the changes happen themselves. I was explaining earlier about the line concept. A lot of that has come from members out on the field there, out on the floor basically, had done a lot of that stuff. Engineers have helped a lot. A lot of the time engineers see something strictly in black and white. They don't deal with certain things day in and day out. On the paper it looks like this should work just fine. In reality, you look at it, you know, no that will not work. There are a lot of things that we've done. We have an IDEAS program at Haworth that you can participate in to resolve quality problems, issues as far as through-put, speed, getting to your customer on time, quality of product. I was involved in one major project, took about a year and a half. We worked with the people in the training area and we put together a training manual for the PFA, or fabric assembly area. We didn't really have a thorough thing for training; a lot of little things went through the cracks. So, we worked together on putting this complete pamphlet or booklet together. We set it out week-by-week for about six or eight months and then we kind of worked it down to a ... we work with our engineers also because we want to keep terminology the same. Engineers use certain terminology, people on the floors use different

terminology. We thought when we trained, we used the same terminology compatible with engineering, but it was all the same thing. So, I understand what they're talking about, instead of, "You're talking about this and you're talking about something different," and it's actually the same thing, but you don't even know it. We worked on a lot of details like that and then put it together. We actually wrote a script and shot a video of this process also; it's in Documentation. It is part of our process documentation for ISO that we put together. We actually took the training manual and our ISO documentation and evolved it one step further about a year ago. Now it's all combined into one big book basically. It's our 9001-ISO documentation and our training manual all incorporated into one. It's a neat process. Actually, that project won the Chairman's Award for IDEAS in '97, I believe it was, which is the highest award you can get for a particular thing for a year. You can get it individually and as a group. This was a group effort. So it was a neat thing.

AH: Can you tell me about ISO-9000?

JB: ISO-9000 is just a communication global standard basically. If you're dealing with another country, you're dealing with the same quality standards. You get a lot of different countries, their standards are entirely different. If you're going to sell to a lot of different countries -- be global -- you have to be in a global standard for certain things. A lot of companies now have come on-line with some kind of certification globally. It's a way of doing business because everything's global. When I first started here I don't think we did a lot overseas, very little of that at all, basically U.S. Over the last, especially the last ten years, they've really got into a lot of other...

bought-out a lot of companies, a lot of countries ran through. We're on five continents right now. It's very busy. Asia and Europe, we send people all over the world to train them, to show other people how to produce products, work with Germans. We've got some new equipment coming in our plant right now, that's a German-made roll former. We just sent one of our head electricians down there to spend about ten days with him just to learn and understand the machine and how it works, the computer part of it.

AH: Can you tell me about when there was the campaign for the union?

JB: There was a few disgruntled people, you're always going to get that. It only takes just a handful of people to get something organized. Approach any union and if it looks like there's enough interest, they will at least get started with you. We did it twice in the last, probably five or six years. They had a union push on, never even came to a vote. It was that little of interest in it. The unions will not stand behind you if they know they don't have fifty, sixty percent or more, they'll back right off. They won't even mess with it because it's a lot of extra money and effort they're putting into something and they know they're not getting anything out of it. I would say, maybe twenty percent at best they would have had, if they ever went to vote.

AH: So that didn't represent the desires of...

JB: ...No, it's not. I personally am opposed to unions, I don't think we need a union here. All I know for sure is it's going to cost me about one or two hours' worth of my pay every single month for union dues and I'm not guaranteed that I'm going to get anything back out of it. There's no guarantees at all with that thing.

AH: You don't think that would improve communications?

JB: No, I don't. I think communications actually are pretty well the way they are set up right now. [stop]

AH: Let's talk about the infringement case against Steelcase and Herman Miller.

JB: Well, what they did basically, about the time when I started in the '80's, they infringed on the Haworth power supply for the bottom of the panels of Raceway, which was patented by Dick Haworth, actually designed that and he got a patent on that. Other companies infringed and there was a big lawsuit about that. It went on for about a decade or more. We just settled about two to three years ago. We won the case several, several years before that through the court, I think it was Kalamazoo, but then they look at, "OK, now how are we going to compensate?" Pieces per panel that you did or... -- that took another two to three years to work that whole detail out on how to get the settlement and how much and all that stuff. Actually, the building that I rent (I own my own business out here) the building that I rent, for awhile Haworth lawyers were up in the upper part of that building for about a year. Two or three guys were up there, about lived up there basically. It was pretty secure up there. We managed that building also at that time. They kept everything locked up pretty tight because there was a lot of confidential documents, obviously. It was interesting. We won that one, and Herman Miller. Also I think, Trendway wasn't real publicized but about everybody got into that act apparently.

AH: It must have been a pretty good idea.

JB: Oh, extremely. That actually propelled this company, really, really took off after

that. The electrified panel really put us on the map I think. The newer products they've got coming out, still working on yet, that Data Thing™. If that really takes off, when that thing really gets going, I think that's going to be another thing that's going to be just like that. It's just going to propel us forward, way ahead of our competition. A few other companies have done something similar to that, but ours is really quite unique. I've seen it a couple times, the presentation. It's awesome what it can do. If that works out that will really propel us again, forward. Haworth spends a lot of money on acquiring other companies. They spend a lot of money on capital investment. They're not per se, 'tight' with their money. If they need new equipment, more modern equipment, they do spend the money on technology out in the plant. They spend millions upon millions of dollars I know, just last year in equipment that is new out in just this facility. Let alone, they opened up a whole new Jonesboro, Arkansas, facility, which makes panels and wood furniture. It's another six-hundred thousand square-foot facility. So, that gives us more capacity, which now had allowed us to go back to two shifts. We were running three shifts out here for a number of years, but that's very hard on your equipment and you can't really PM it correctly because it's running basically twenty-four hours a day. Now we have time to really get in there and really do a good job on our PMing, so then you can schedule times down to repair equipment and maintain equipment, where, when you are running it twenty-four hours a day, you really don't have that option. Usually it breaks, and you go get it fixed, but then you start affecting customer on-time deliveries, and things like that. Here you can have planned down-time to maintain it

on off-shifts when they're not working. So, you keep it up running, so you don't have the breakdowns as much. That's part of our TPM program too, to get all the equipment up, running, functioning all the time, as much as you possibly can. TPM basically, we do a lot of data collection when you first start out, in a certain area, and you find out what your OE is. Engineers set up a standard rate, what production should be. The panels there is about seventeen per hour and that's called 'pure' rate. That's with no change-overs, no down-time, nothing, Then you start figuring in fatigue factor, breaks, unplanned down-times, just idle time. That's the kind of thing we're keeping track of. Every time we're not working or building product, there's one of nine losses that is going to fall into a category and you keep track of that. Then you take your first maybe top two hitters of that; that's the most time that's causing you not to produce and that's the kind of things you work on with engineers - what can we do to resolve this? Here we got, out of two hundred hours spent in production, we have nineteen hours of this that we weren't producing. It was for this issue. This nineteen hours. What can we do to it? How can we eliminate that, or cut it in half, or whittle away on that? That's the kinds of things we're working on. It's a pretty interesting project. I'm on one of the TPM teams out there. It's really kind of interesting, kind of challenging. You have to sometimes think in new ways again. Sometimes you just get set in a certain routine that you just kind of go with the flow, but you got to really start thinking kind of out-of-the-box, really start thinking creatively to change some things. A lot of people... you run across a lot of resistance: a lot of people don't like change. You better get used to it because life is

change, that's the way things are. It's just the way it is and you have to accept that, but a lot of people have a tough time with it. You try to make them feel comfortable and show them the benefits by doing it that way, that you're not going to work any harder. We're going to make it actually easier for you. We're going to be more productive that way and we can be more profitable. We have a profit-sharing program here, everything's based on the ROA, Return on Assets, but you have control over that by doing things better, quicker, smarter, with less lost times; you're going to get paid for it back through that way. There's a lot of incentive to do that kind of stuff.

AH: That seems like a very effective program, rather than 'what are you working for besides someone else's profit?'

JB: It can help you out also that way. You can share in the wealth a little bit. It's a neat process.

AH: Much is said about the work ethic in Holland. Do you think that has affected the success of business in Holland?

JB: Yes, it has. I think you have a great work ethic in general, but I've noticed in a lot of the younger generations, they don't quite have the work ethic as the previous generation. There is some younger people out there that have great work ethics, but a lot of them do not. I don't know if you ever go shopping and you go to the store and you get these sixteen, eighteen year old kids in the line checking you out. "How are you doing?" "Oh, I'm so tired." Here it's three in the afternoon, they just got out of school and you're a young kid, you're so tired. I'm thinking, I got up at four in the

morning, I've been at work all day, worked ten hours, I'm three times your age, and you're so tired. [laughter] Every time you ask the same question; "Oh, I'm so tired." That type of thing, I think the younger generation, I'm not really sure. I've seen that happen since I've been here, the change in work ethic. In this area unemployment is very, very low. There's no way you can interview and ask, "What's your work ethic like?" People are going to put on the best for that interview to get that job. The real them will come out: I can tell within two weeks if they're worth anything or not. I've been around long enough to see that. I've hired enough people. I've been in supervision before, years ago at S2 Yachts and Slick Craft, both places. I've had to deal with that for years. It doesn't take long to find out what the person is really like. The work ethic overall, I think a lot of Dutch culture had a real strong work ethic. They had nothing when they came to this country and they came across and made their whole lives. I think the first and second generation are really pretty strong like that. The work ethic in general I think has slipped over the years, that I noticed. And I have talked to a lot of my peers, my age and the same comments. My wife, trying to hire people, the same thing. It's harder and harder to find people that are dependable, trustworthy, things like that. It's a challenge. That's where HR [Human Resources] has their hands full. They really have a challenge right now. It's growth in the community, and this corporation is growing. Other corporations are growing. It draws and attracts more people and doesn't always attract people with the best work ethics and things like that and you get a lot of variety. I think years ago, when Haworth started, the Dutch culture was really strong in this area. It's kind of

digressed a little bit I think.

AH: What do you expect for the future at Haworth?

JB: I expect to retire in six years. I've got my plans pretty well set into place. I'm seeing my stock broker tomorrow night. We've got the whole plan in place, six years my wife and I should retire. That's our goal at least. The 401K, which you can contribute to and the portion that they contribute to the individuals is nice. You're silly not to put in at least the minimum because they are going to match that. If you want a three percent raise just put in six percent of your income. They're going to give you a three percent raise. I try to talk to a lot of people because with the federal government the way it is, who knows what's going to happen down the road. I'm basing my whole retirement basically on what I have myself -- not my Social Security, my wife's Social Security, not my retirement from Haworth -- just my 401K and the things I have done, my own personal investment. Anything else will be gravy. The people who are wise, who come in here when they're young, if they put in at least ten percent or more and then every year add a little bit to it, start doing that -- when they're done, they'll have a great retirement. It's available to them if they choose to do that. The laws have allowed you to do that. Haworth is willing, they've done their matching.

AH: Where do you see the company moving?

JB: I think they're going to diversify more and more. I think you're going to see this hub stay pretty much like it is. I don't think you are going to see a lot of expansion right here. For the simple reason, I think it's more economical to build product where it is

going to be used, like the Jonesboro facility. I think right now they ship to probably eleven states in that general area. It's cheaper to ship close-by than it is from Holland all the way down to those states. You're going to see more of that type of thing happening. Plus, like I said, with unemployment at two, two-and-a-half percent in this area, you can't really grow, major additions, add four, five, six hundred people because with the people here - my philosophy, when you're at two percent you're at almost ground-zero. That's two percent of people that just do not want to work, or you don't want them working for you, one or the other. That's kind of tight like that. If you open up a big wing or something and need five or six hundred people, you are going to have a struggle to pull people. And if you do want good, qualified people, you're going to have to really have a very high starting wage. Then you get into a pricing war with your competitors, or anyone in this general area that needs people. That's not real healthy either. They need people also, so they start raising and then you get a whole pricing war, and that's not good for your competition or your bottom-line. It's tough. All new product is usually developed here, though. We develop most of the new products, the Haworth products, not including the acquisition companies that we have. We develop our own new things here. Once they're up and running, a lot of the stuff we have sent to Big Rapids, Ludington -- newer facilities -- they produce there now. Once you get something up and running, get the bugs worked out of it, you can send the raw material and the equipment put it anywhere in the world, train the people and they can produce it. This stuff is not necessarily rocket science. You need to pay attention to what you are doing, but it's general

labor, a lot of the stuff, manufacture. If you have a good maintenance guy and electrician to keep the equipment running, people are willing to work, produce product, you can do it basically anywhere in the world.

AH: What about the product line?

JB: I see that as expanding more and more all the time. They are offering more and more things. They've come out with in the last, when this is one of them right here in front of us that we're sitting by here [motions to desks in front of us, which fit together forming a larger table]. This is three-years-old, four-years-old, I believe. It's fairly new. You see this as really advertised a lot when they have the Haworth advertisements. Everybody knows about the walls, the individual cubicles. This concept is fairly new, a lot of people that I take out on tours like this, "Where is Crossings^R made?" They want to know where that's at, for the simple reason, they do utilize that. A lot of your small groups, maybe eight or ten in a group. You have a major surrounding, but you're inside, but it's very open, a lot of interaction, communication verbally, back-and-forth with people. You don't have to go from one office, get them on the phone. You just chit-chat. "Hey, we need a little conference." You just, like this, sit around here for a minute. "Hey, we've got something we need to discuss a minute." Then you kind of break up and do your little thing again. Three hours later you come back and "OK, what have we accomplished?" That kind of thing. We make a lot of product for all different types of industries and all different type of users. That's why we have the stackable Premise,^R Causeway. The Causeway part is really nice because that is interconnecting

with all of our products and some of our competitors even. There's a lot of different things that they've done to look down the road I think, to make this grow. There's a lot of bright people with a lot of foresight and a lot vision to see those type of things, keep their eyes and ears open, to see what trends are, what people are listening. Our dealers out there, they deal with customers all the time and they, of course, are telling them what their needs are. If you want to be selling the product to them, you can meet their needs and the competition cannot because of design. You're going to be the first one to bat. You're going to have a great thing going for you. I see that's what they do. They spend a lot of money on clients and customers, they take good care of the people.

AH: Thanks so much.

JB: Certainly, not a problem.